

The Road To Opportunity

A briefing on Gov. Gretchen Whitmer's

FY 20 budget proposal

MICHIGAN HAS
a diverse economy and communities, world-class culture and sports, great universities, and timeless natural beauty. However, to strengthen our state and improve our ability to compete in the 21st century, we need to rebuild our infrastructure and make foundational investments for the things that connect us all: roads, education, skills, and water.

As we look to the future, we are presented with a
FORK IN THE ROAD
providing a clear decision: Do we invest, build, and thrive or do we continue to divest, stagnate and decline?

DECISION
AHEAD

THE
MICHIGAN
LEGACY



Our budget presents bold solutions to strengthen our communities, grow our economy, and prepare us for the road ahead.
LET'S BUILD OUR FUTURE TOGETHER!

2020 BUDGET

Total State Budget

\$10.7 billion	General Fund
\$10.9 billion	Restricted Fund
\$14.0 billion	School Aid Fund
\$23.1 billion	Federal Funds
\$1.5 billion	Other Funds
<hr/>	
\$60.2 billion	Total Budget

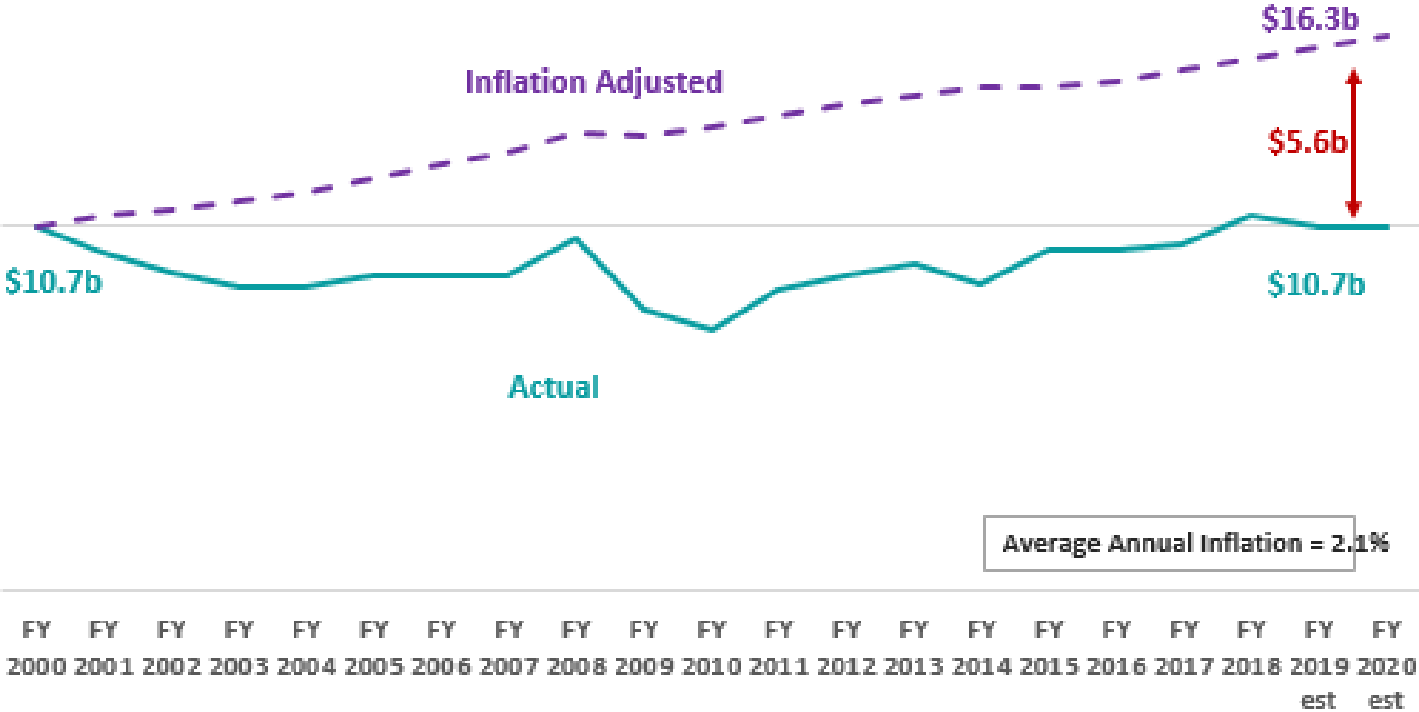
MICHIGAN GENERAL FUND OVER THE PAST 20 YEARS

General Fund – General Purpose Revenue Remains Under \$11 Billion

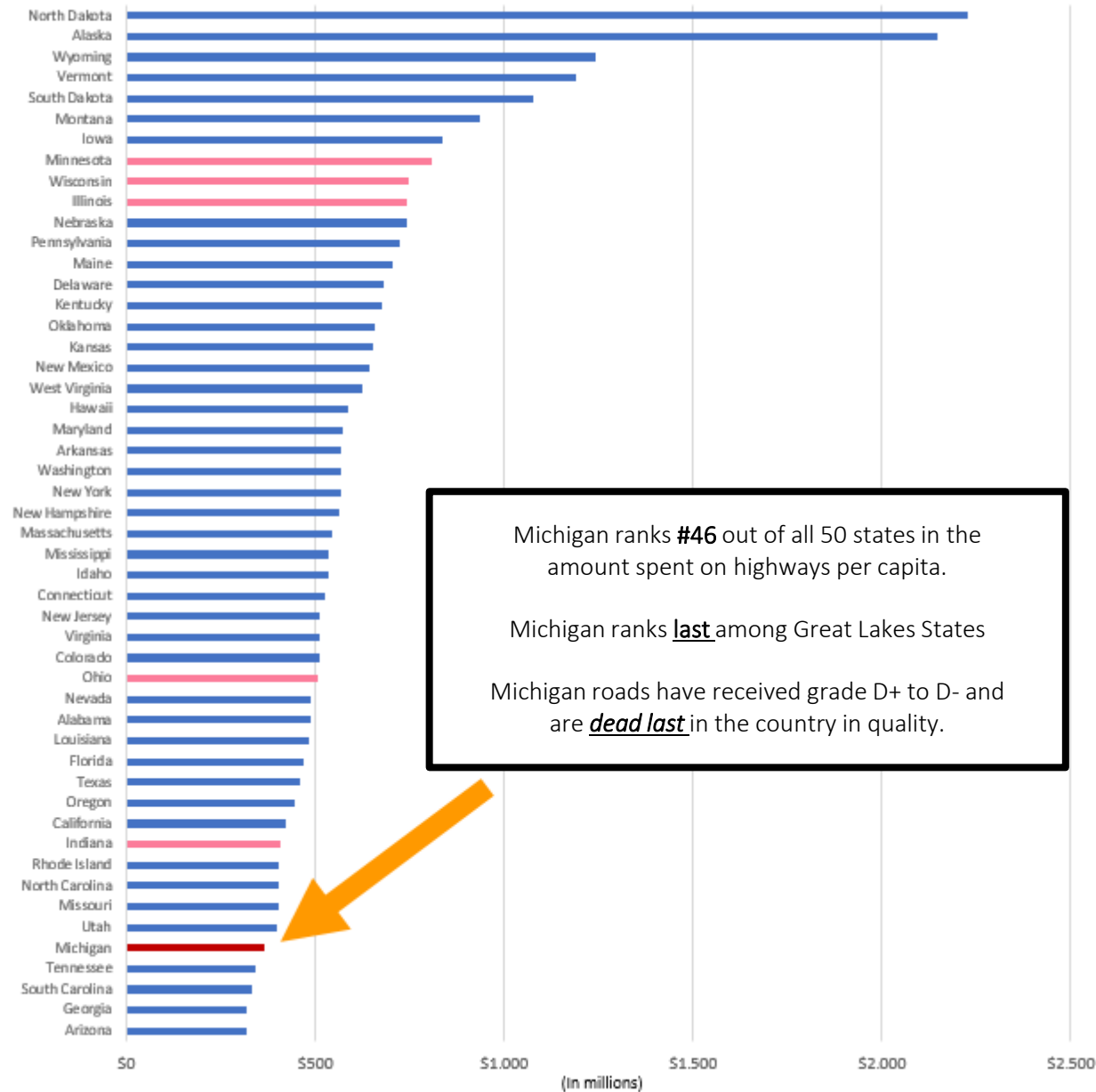
(Graph in billions of dollars)



Michigan's General Fund would be more than \$5 billion higher if it had merely kept up with inflation since 2000

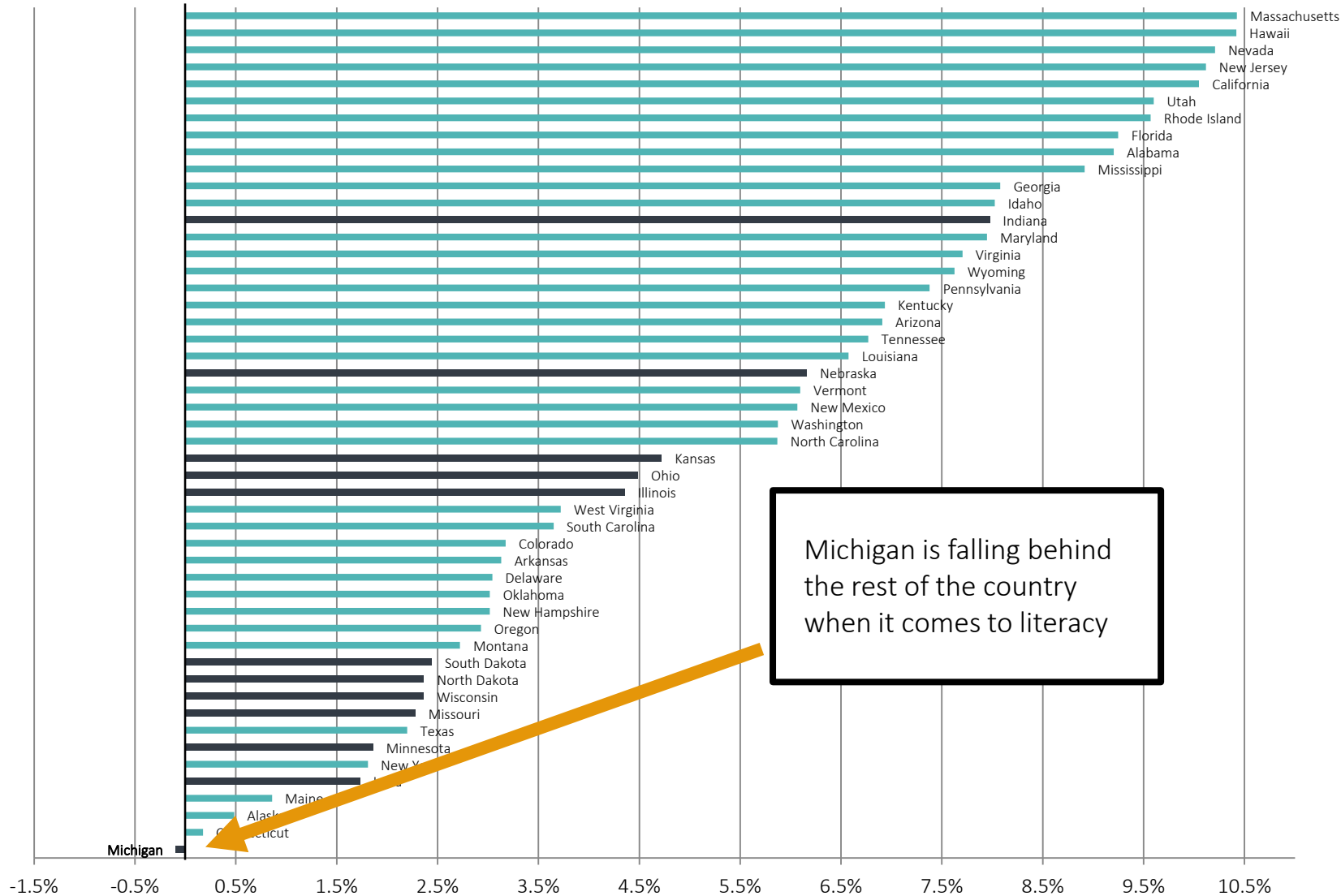


FY 2015 Per Capita State and Local Expenditures on Highways



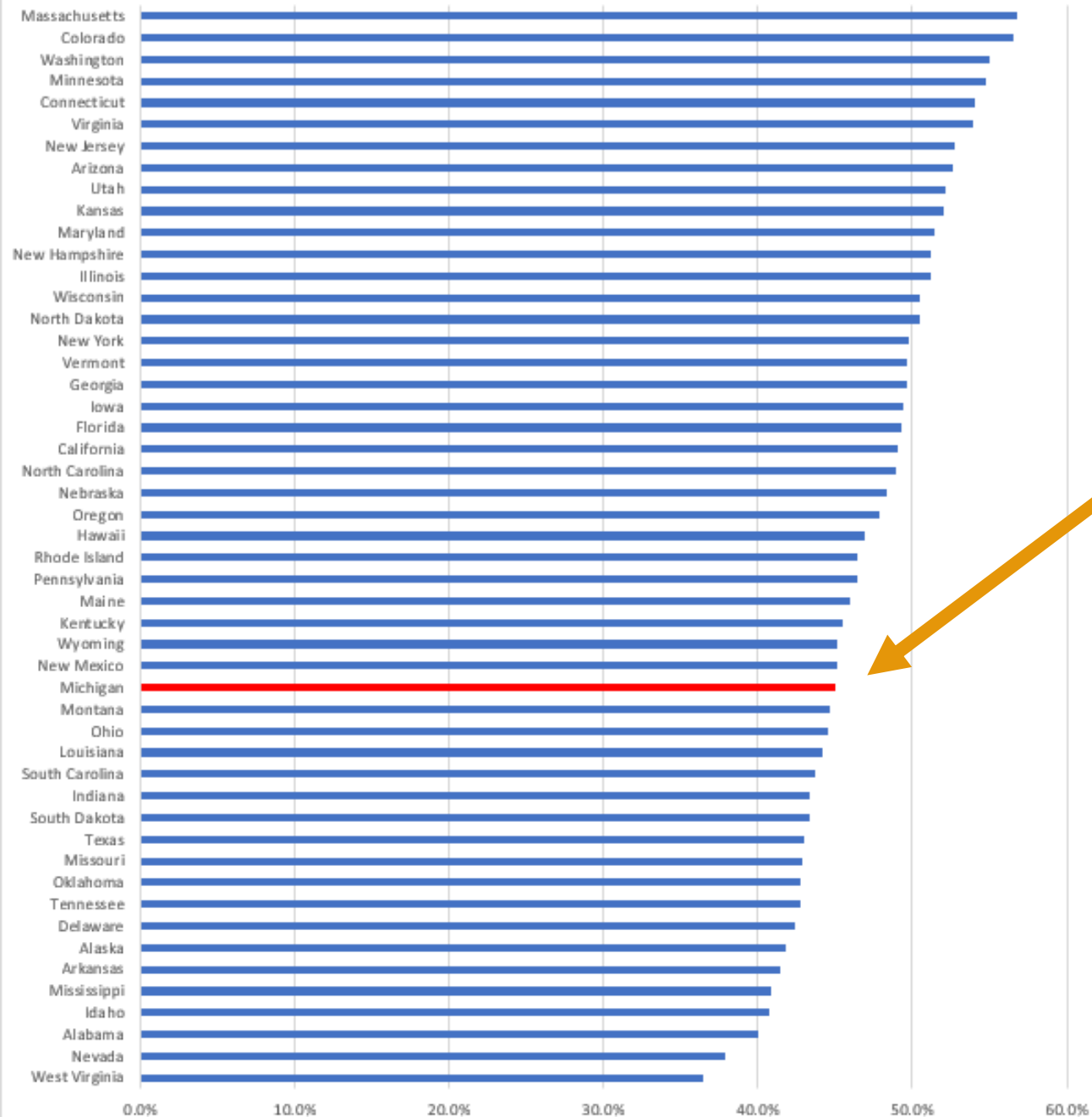
MICHIGAN RANKS
IN THE BOTTOM 5
IN
INFRASTRUCTURE
INVESTMENT

4th Grade Reading Proficiency Change
National Assessment of Educational Progress (NAEP)
Percent Proficient Improvement
2003 - 2017



MICHIGAN
KIDS ARE
FALLING
BEHIND

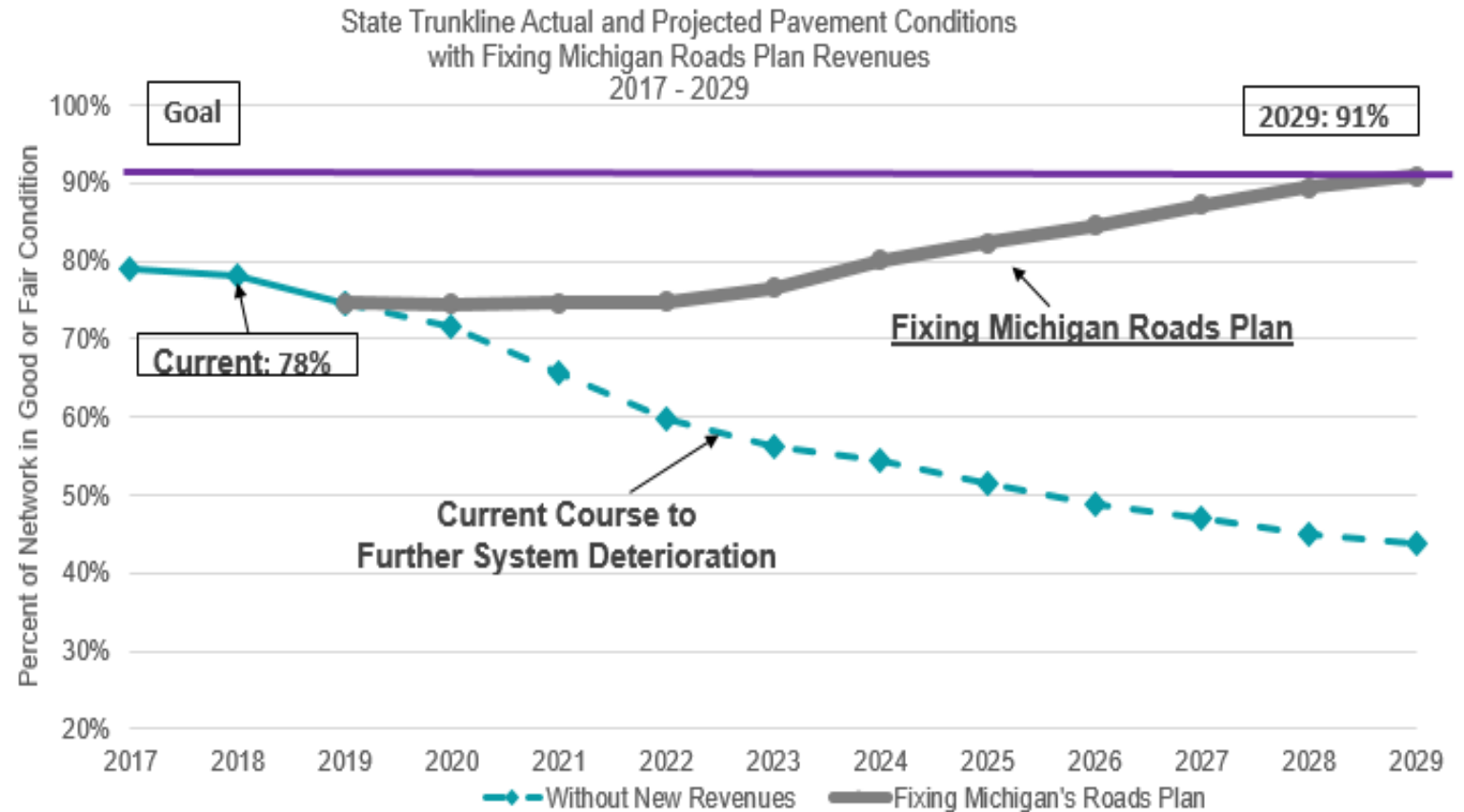
2017 Educational Attainment by State



Michigan is in the bottom 20 in the country when it comes to post-secondary attainment.

ONLY 44% OF ADULTS
HAVE COMPLETED
SOME FORM OF
POSTSECONDARY
EDUCATION

ROADS: MICHIGAN AT A CROSSROADS





Traffic Deaths On Michigan Roads Up Since Last Year



Driver In Critical Condition After Concrete Goes Through Windshield On I-696



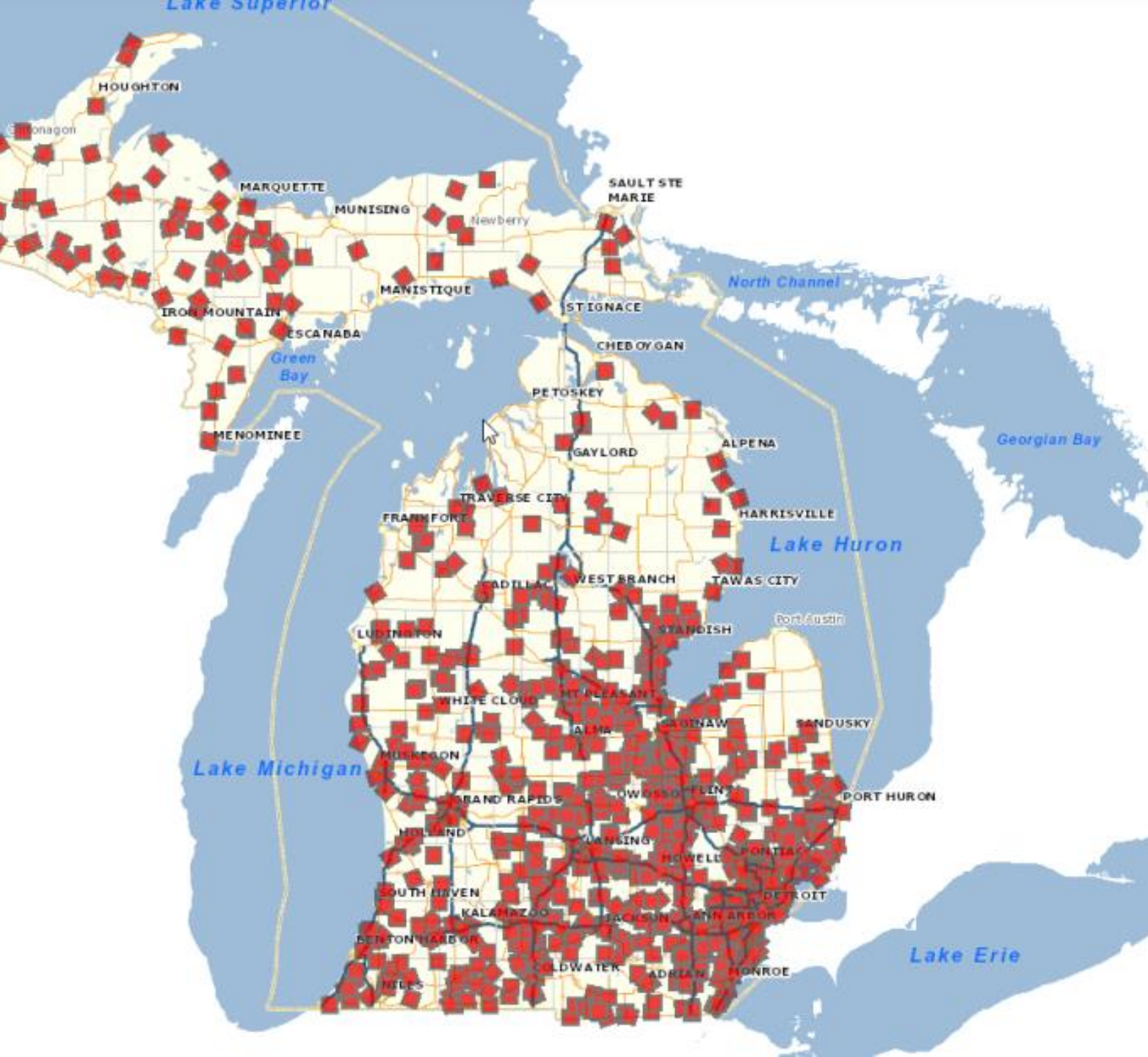
Report: Michigan's rural roads worst in the country



Potholes causing problems for drivers across Mid-Michigan

Detroit Free Press

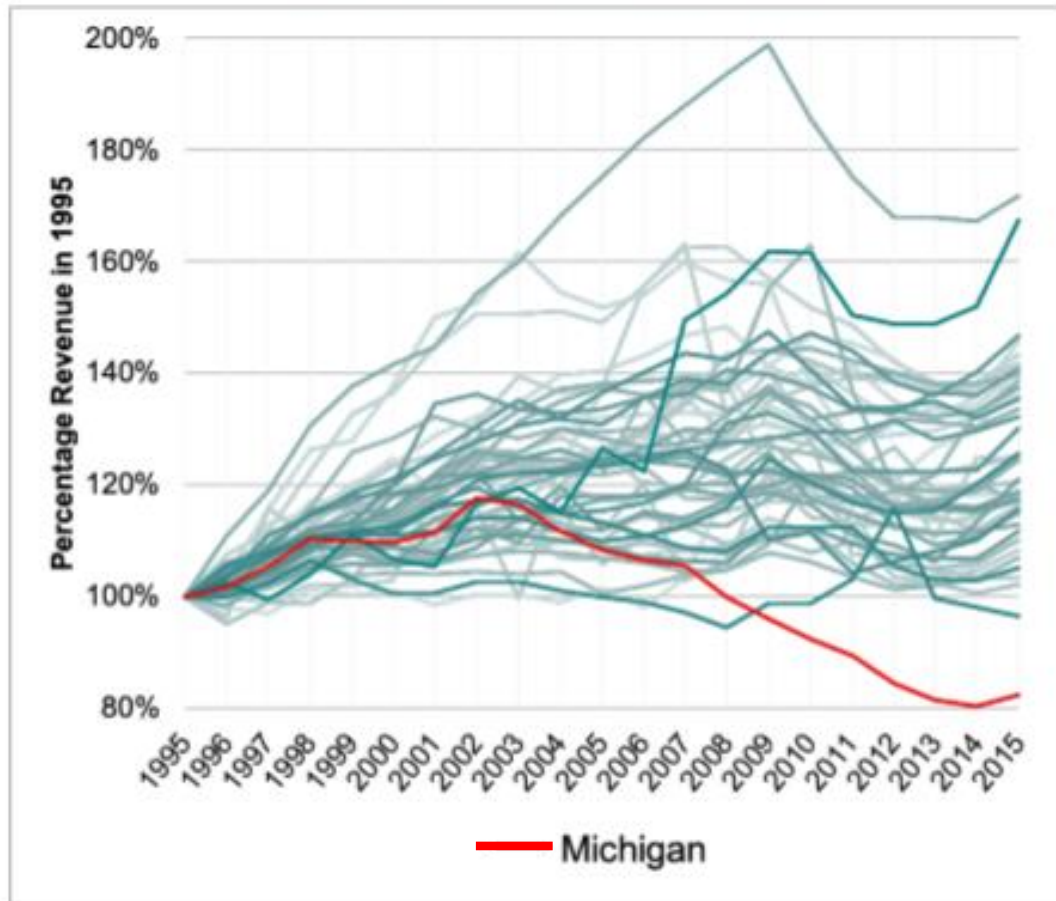
Does your body ache from hitting potholes?
5 reasons Michigan has lousy roads



CRUMBLING
ROADS
IMPACT US
ALL :
Major state &
local roads in
poor condition

EDUCATION: MICHIGAN AT A CROSSROADS

Figure 6. Inflation Adjusted Total K-12 Education Revenue as Percentage of 1995 Revenue, 50 States



Source: National Center for Education Statistics, F-33 Common Core of Data.

Out of the 50 states, Michigan was *dead last* in revenue growth in education funding between 1995 and 2015.

TALENT: MICHIGAN AT A CROSSROADS

Detroit Free Press

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Amazon to Detroit: You didn't have enough talent to get HQ2

John Gallagher, Detroit Free Press

Published 10:43 a.m. ET Jan. 18, 2018 | Updated 4:44 p.m. ET Jan. 18, 2018



With space to grow, collaborate, and thrive, Detroit is a city unlike any other. Meet the Detroit you don't know. Wochit



(Photo: Dreamstime/TNS)



CONNECT



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It came down to talent.

Amazon reached out to Detroit leaders Thursday to say that an insufficient talent pool in the region was the main reason why [Detroit didn't make Amazon's short list](#) of finalists for its second headquarters.

Sandy Baruah, president and CEO of the Detroit Regional Chamber, was among those

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MORE STORIES



4 projects will change Detroit riverfront

March 2, 2019, 7:45 a.m.



Ceilings soar in home tucked into city lot

March 2, 2019, 7:46 a.m.



Michigan man is bitcoin millionaire

March 2, 2019, 8:15 a.m.



Learn these terms to sound like a car expert

March 2, 2019, 2:26 p.m.



Michigan teachers quitting at record rate

Detroit Free Press

Michigan students sliding fast toward the bottom

The Detroit News

MSU: Michigan 'dead last' in funding growth for K-12 schools

The VOICE

Study: Education funding in Michigan has 'seriously eroded' over past 15 years

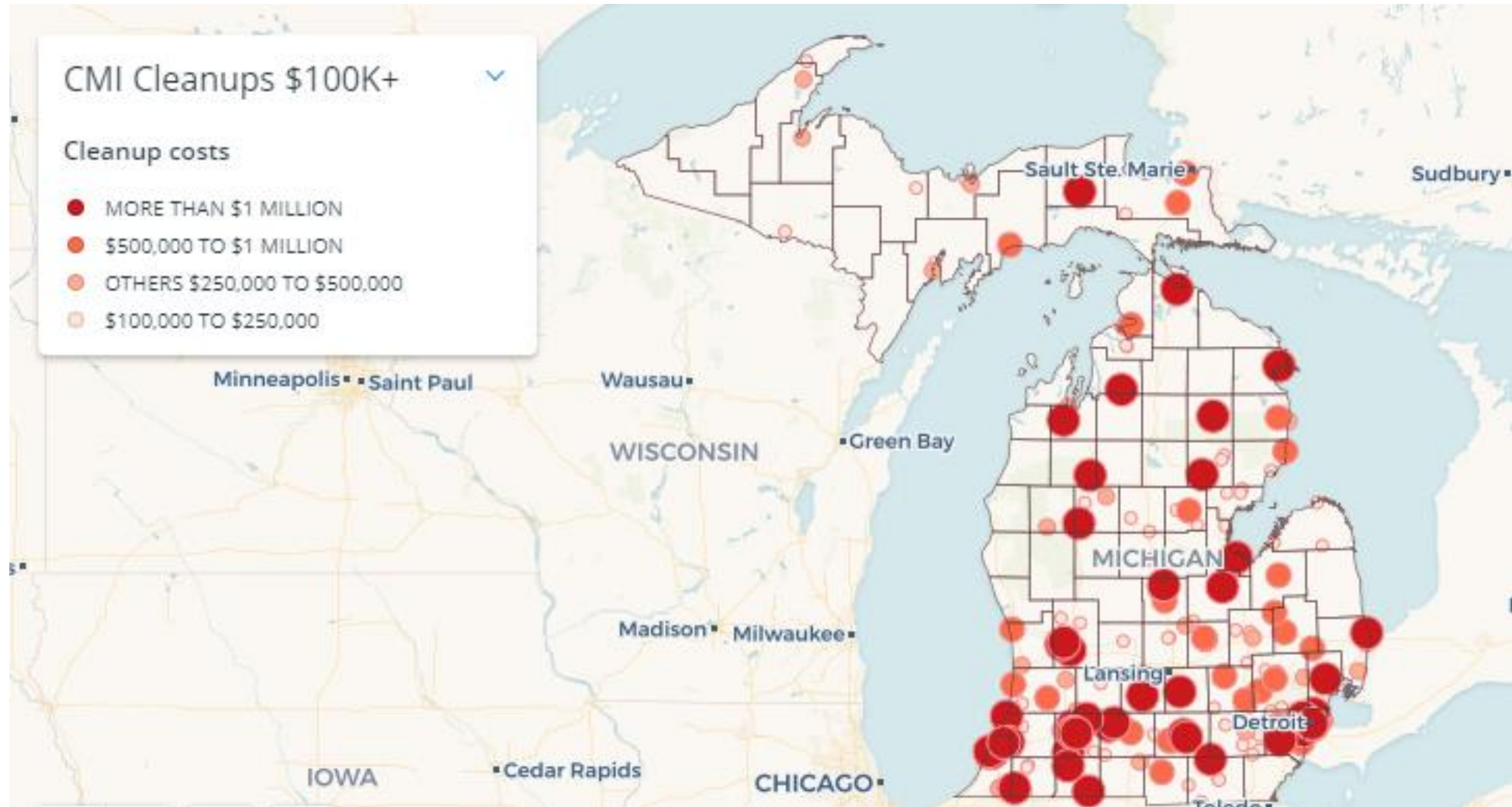


Report shows Michigan still trailing in post-high school education

Bridge

The real state of Michigan education: Improving outcomes costs money

DRINKING WATER: MICHIGAN AT A CROSSROADS



90.9 wbur

How Flint's Water Crisis Happened And Why It Isn't Over

Bridge

**Michigan environment roundup: PFAS found in 11
Michigan water systems**

**THE
HILL**

**13 Michigan water systems fail
excessive lead test: report**

The Detroit News

**Flint water distrust runs deep even
as city replaces lead pipes**

CNN

Is there a new water crisis in Michigan?

Bridge

**Is lead in your Michigan school's water?
Chances are, nobody knows.**

**wDET
101.9 fm**

**Michigan Could Be on the Verge of
Another Drinking Water Crisis**



2030 GOAL

- ROADS: Get 90% of state roads in good/fair condition and provide additional resources for local roads.
- DRINKING WATER: Every community has clean drinking water.
- SKILLS: 60% post-secondary attainment.
- EDUCATION: Make Michigan a top 10 state in 3rd grade literacy.

THE SOLUTION

Phase in fuel tax of 15 cents per gallon every six months from October 1, 2019 through October 1, 2020

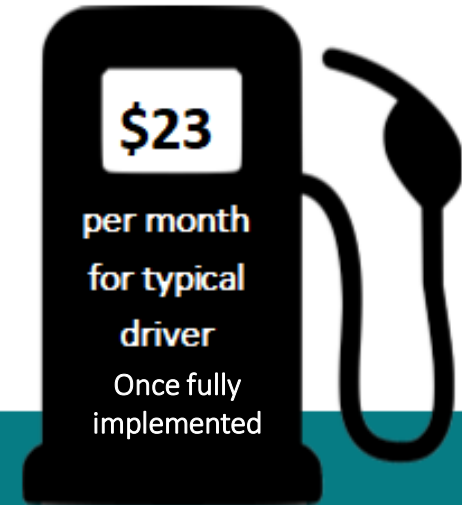
RELIEF

- Increase Earned Income Tax Credit to ease transition for vulnerable families.
- Repeal the retirement tax.
- Lower the amount Michiganders are spending on car repairs.

Road to Opportunity



Gas Investment



Increased gas costs offset

\$30

Low income families will receive up to an additional \$30 per month from Earned Income Tax Credit.



\$65

Qualified retirees will receive an average of \$65 per month from the repeal of the Retirement Tax.

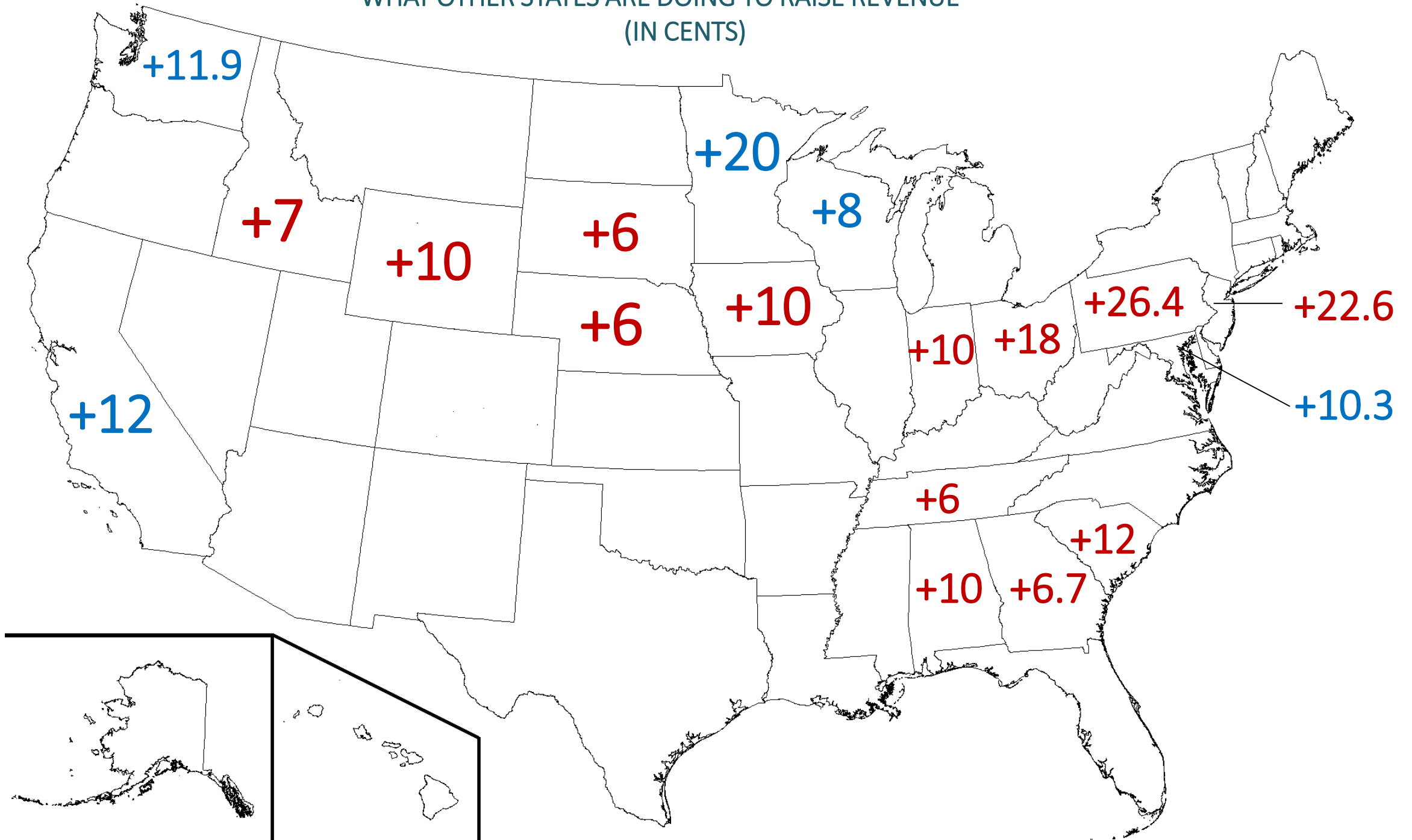


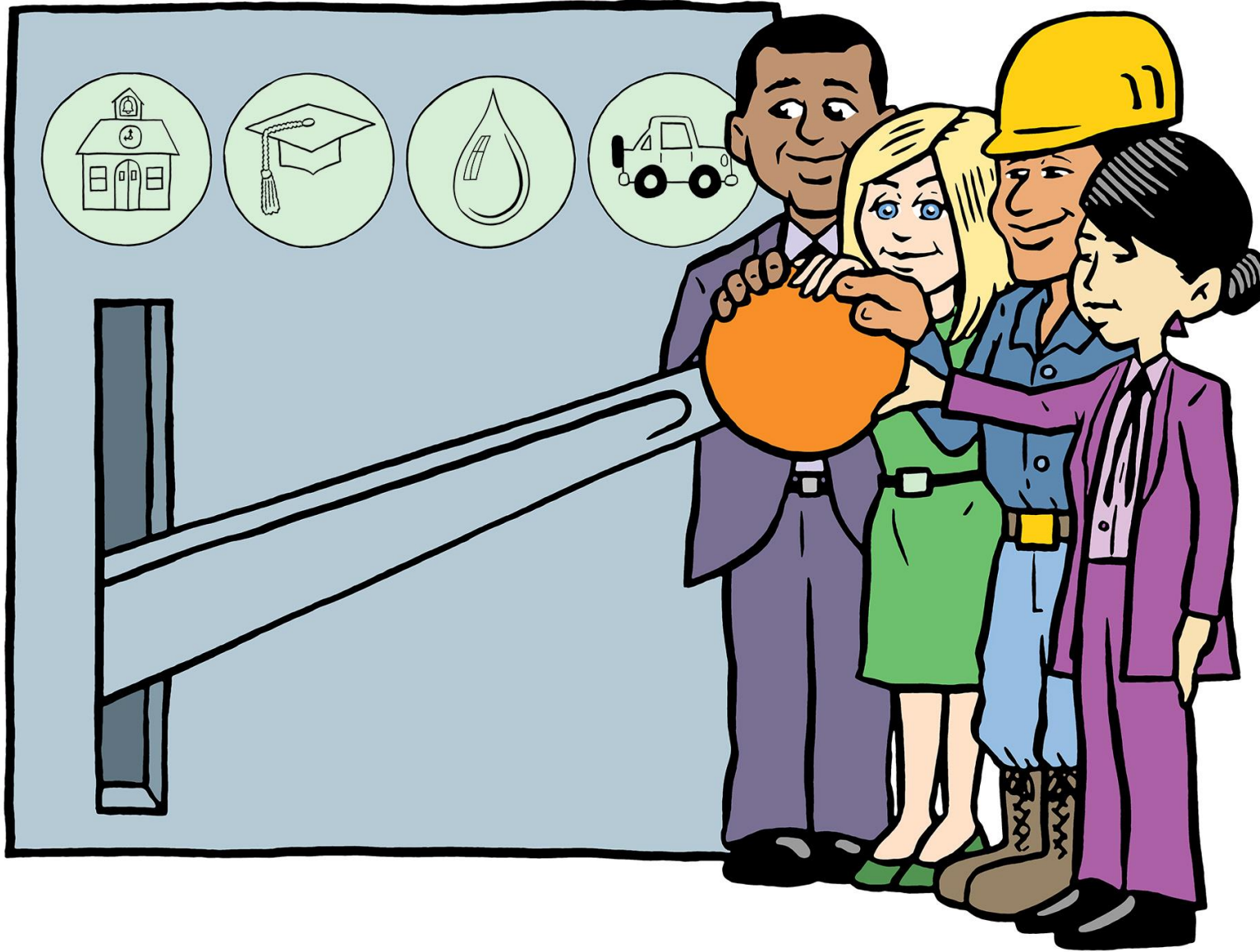
\$562

All drivers will see a reduction in auto repairs related to poor road conditions, estimated at \$562 per year.



WHAT OTHER STATES ARE DOING TO RAISE REVENUE
(IN CENTS)





ONE HISTORIC VOTE

CLOSING THE SKILLS GAP



K-12

\$507 million, the largest funding increase for school operations in a generation.

Provides additional resources of between *\$120 and \$180 per pupil*.



MICHIGAN RECONNECT

Ensures adults have a tuition-free pathway to a certificate or associate degree.



MI OPPORTUNITY SCHOLARSHIP

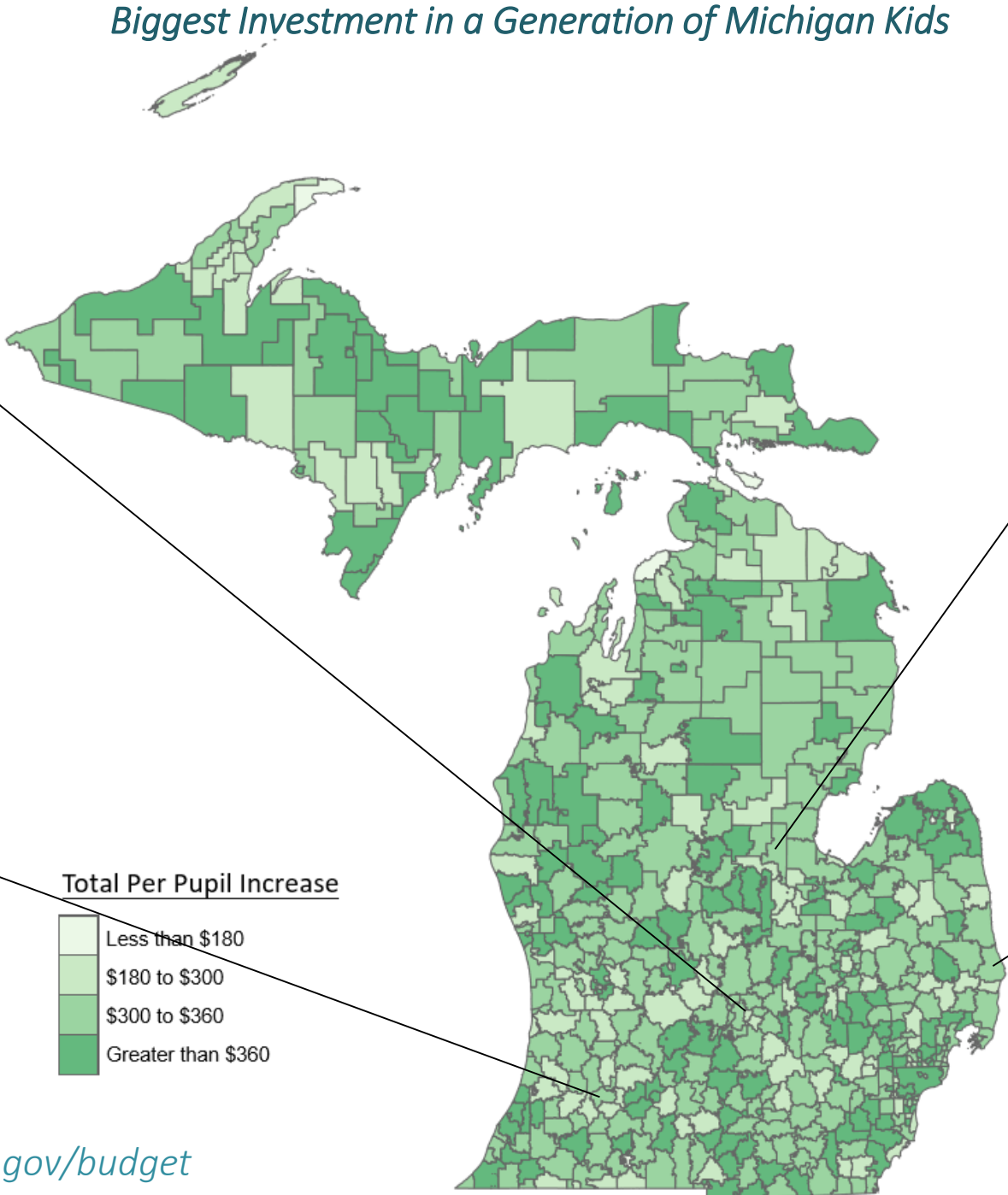
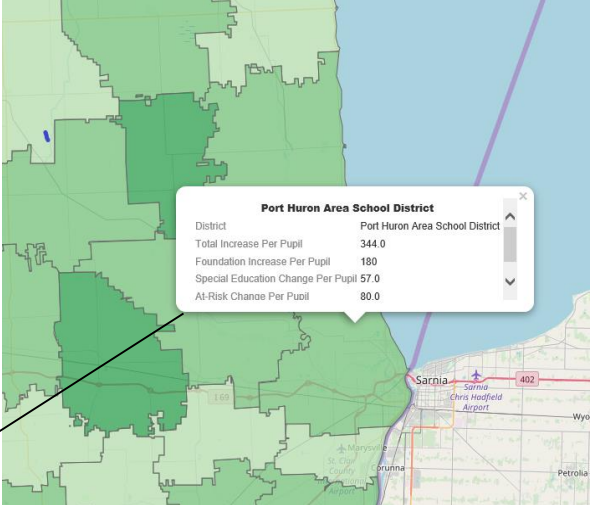
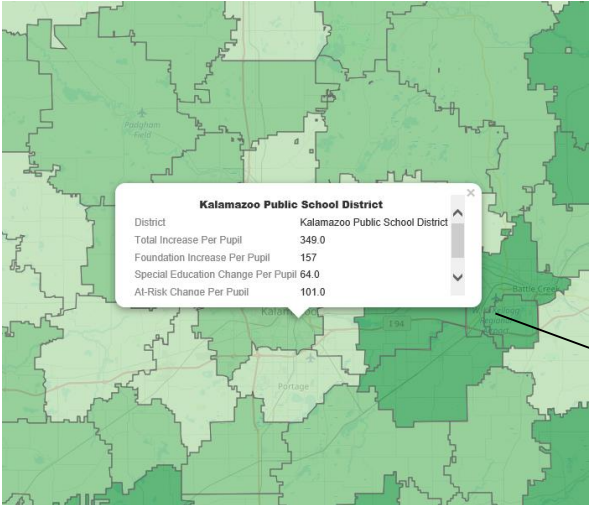
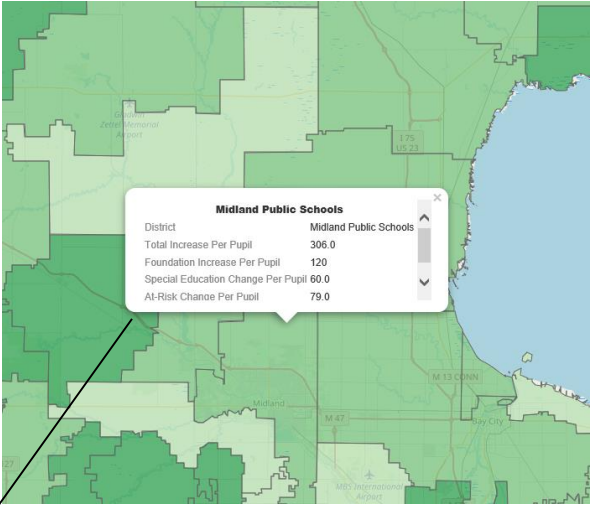
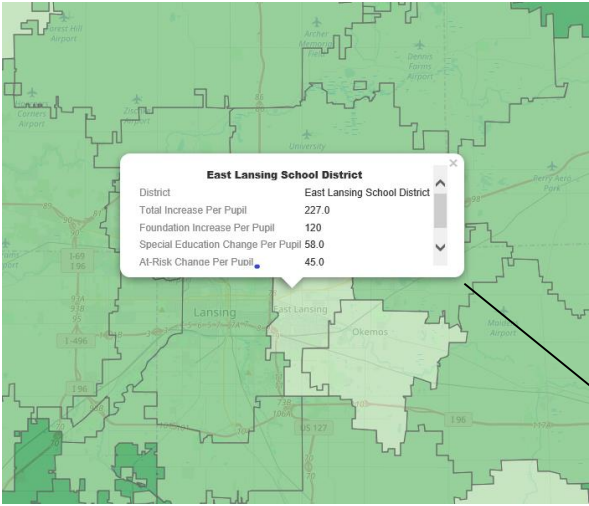
Offers qualified high school graduates:

Tuition-free path to community college

- OR -

Two years of tuition assistance at a four-year public or private not-for-profit college/university.

Biggest Investment in a Generation of Michigan Kids



Find your district at Michigan.gov/budget

CLEANING UP OUR DRINKING WATER



\$120 million to improve our drinking water infrastructure

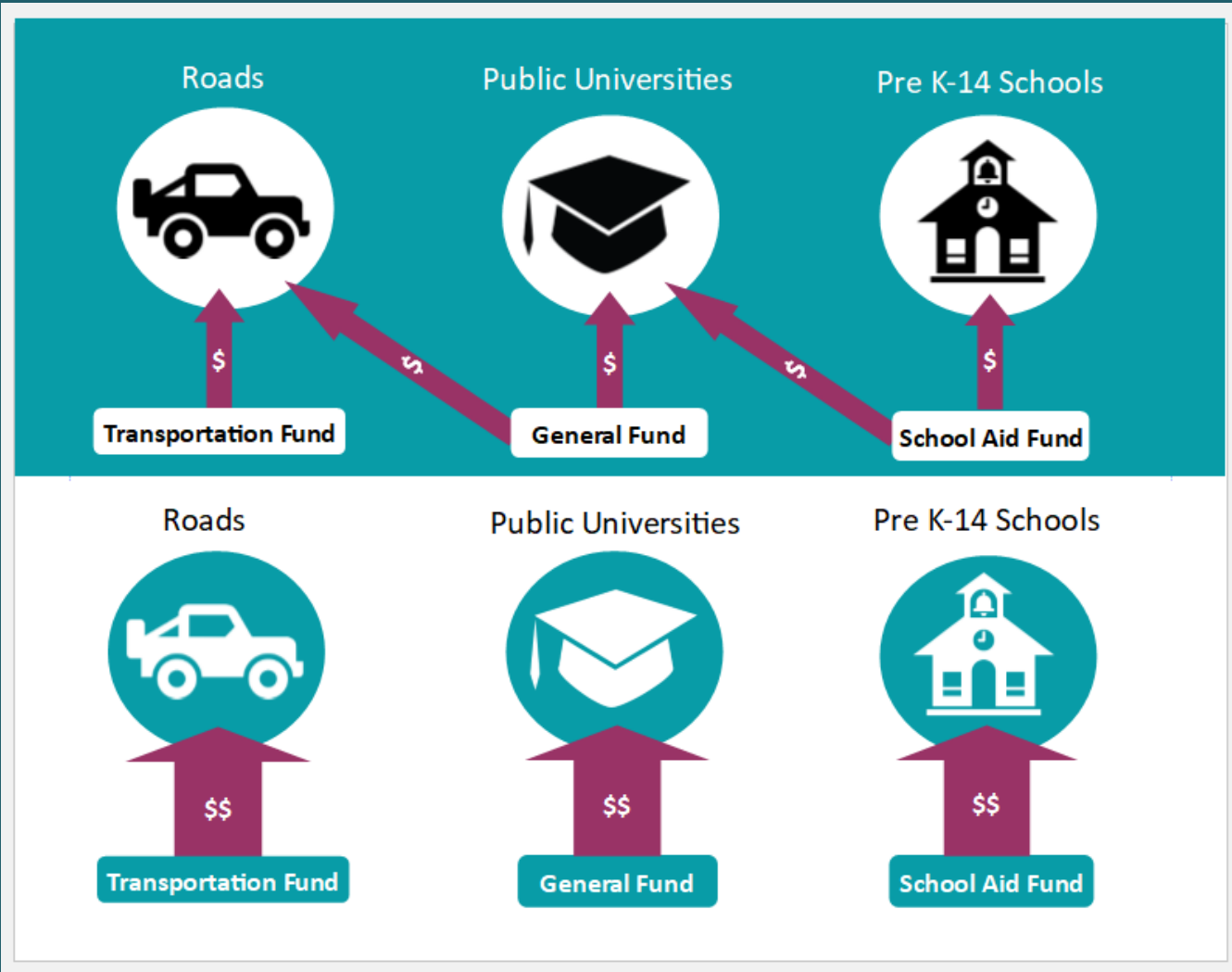


Funding for service line replacements, research and treatment for PFAS, and research to optimize water distribution systems.



\$60 million to install hydration stations in school buildings.

Current Shell Game



Future Fiscal Responsibility

LONG-TERM BALANCE

- Returns funding to intended purposes:
 - Roads are funded by constitutionally dedicated restricted funds.
 - Public universities funded 100% by General Fund.
 - \$500m School Aid Fund returned to K-12 schools for needed investments.

